

DENTON RANKS 1ST AMONG MOST  
TECHNOLOGY-ADVANCED CITIES

**HON. MICHAEL C. BURGESS**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Mr. BURGESS. Mr. Speaker, it is my great honor to recognize Denton, Texas for being acknowledged as the No. 1 most technology-advanced city with a population of 75,000 to 124,999, by the Center for Digital Government. The ranking was based on the 2004 Digital Cities Survey that examines how city governments are using digital technology to become more efficient and communicate with residents.

The survey and ranking determined by the Center asked more than 600 mayors, managers and chief information officers to participate asking 24 questions focusing on implementation, adoption of online service delivery, planning and governance, and the network that allows cities to make the move to digital government.

A life-long resident of Denton County, I offer my congratulations to the city of Denton and to Mayor Euline Brock.

COMPANY THAT DOES IT RIGHT

**HON. BERNARD SANDERS**

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Mr. SANDERS. Mr. Speaker, I want to bring to your attention a remarkable company, located in my home state of Vermont, that can and should serve as a model for corporate responsibility in this era so unfortunately marked by greed of CEO's, who last year paid themselves 301 times as much as the average worker in their companies.

The company I speak of is Chroma Technology Corporation of Rockingham, Vermont. It is completely employee owned. The firm has a flat pay scale, where no employee makes less than \$37,500 and no one more than \$75,000. Thus no top-level specialist makes more than twice what anyone on the shop floor earns.

Yet Chroma competes in the global marketplace, taking the risks that other corporations do. It is a global, high-tech manufacturer of optical filters for microscopes used by the world's top biologists. It is the major supplier to three of the four major microscope manufacturers in the world (Zeiss and Leica from Germany and Nikon from Japan). Chroma is also the second source for Olympus of Japan and was recently chosen as primary supplier to Motic, an emerging Chinese microscope company. Chroma is today a premier manufacturer of high-tech products, and expects sales of \$16 million in 2004.

While other companies practice outsourcing, Chroma remains locally rooted, with virtually all 68 employees living within a 50-mile radius of its facility in Rockingham.

So amazing is its story—and so important is its lesson to how American companies cannot only survive but thrive in the international mar-

ketplace—that I want to tell that story to the American nation.

When it began, Chroma had a policy of paying everyone the same wage, a wage pegged to the local living wage. By the time the firm grew to 17 employees in the early 1990s, everyone was making an identical \$30,000 per year. "If we would have changed our wage structure at that point, we would have had a revolution," says Chroma's CEO, Paul Millman.

In 1996, Chroma instituted the policy that tenure would determine pay. "The criterion is longevity, rather than job description," Mr. Millman explains. Today the maximum salary of \$75,000 is the same for everyone, though new employees can start higher than the minimum of \$37,500.

The disadvantage of this flat pay structure, according to Mr. Millman, is that some people with graduate degrees or business experience won't work there, because they'll be paid the same as someone in production. The advantage, he counters, is the cooperative atmosphere, the self-direction, and the lack of a managerial class.

Chroma practices not just worker ownership, but worker democracy. At one time the company made decisions through a Quaker meeting format where consensus ruled, though that's being revisited now that there are more employees. Still, there are no designated managers at Chroma, and employees occupy all seats on the board of directors. More than 95 percent of company decisions are made on the shop floor. "We call it full exposure management," says Gabe Cappy, a member of Chroma's shipping department who has been with the company eight years. "It is peer pressure that then encourages people to perform."

Nor does Chroma cut corners on environmental issues to cut costs. Chroma recently invested \$130,000 to make its new 28,000-square-foot factory energy-efficient. The company will recover those costs in less than two years through savings in electricity and propane costs. "They have gone far beyond the efficiency measures associated with standard building practices," says Gabe Arnold, technical coordinator for Efficiency Vermont, a statewide energy efficiency utility. While most companies focus on lowering costs, he says, Chroma showed an innovative willingness to invest heavily up-front in efficiency.

Because employee-owners intend to pass this company on to future generations, it is virtually impossible for Chroma to be sold. After the founders leave, no single employee will own more than 5 percent; a super-majority is needed to sell the company.

Employee ownership, worker democracy, environmental stewardship—and an all-American work force: instead of being liabilities, these practices help Chroma compete in its global, high-tech markets. The structures of employee ownership and involvement contribute significantly to the high quality products that are Chroma's trademark. "Other companies can build these filters quicker and cheaper," Mr. Millman concedes, but because Chroma has educated the biologists who actually use the microscopes about its optics, it has developed strong customer loyalty. "That adds to the romance of our product," he says. "We now have three Ph.D. biologists on our

staff, and that is no happy accident. No other optical filter company can say that."

While competing internationally, Chroma defines itself by a different economics than that touted by most business schools. "I prefer the term 'sustainable economy,' or an economy that keeps us living. That's what Chroma is all about," says Mr. Millman, CEO of what has been the fastest growing technology company in Vermont for the past five years. He credits the business environment in Vermont for nurturing Chroma's value structure. "Vermont is the prototypical state for the creative economy," he said. "This was the first state to abolish slavery. Outcasts from the '60s and '70s came here and created communes. This is where Ben & Jerry's started."

Vermont, I should mention with pride, along with Ohio, boasts the greatest concentration of employee-owned companies.

At Chroma Technology, where committed employees lead naturally to loyal customers, being local goes hand-in-hand with being global. Chroma Technology shows us all that it's possible to make a mark in the global economy and do it in a way that is sustainable and humane.

INTRODUCTION OF THE SOCIAL  
SECURITY PRESERVATION ACT

**HON. RON PAUL**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, January 4, 2005*

Mr. PAUL. Mr. Speaker, I rise to protect the integrity of the Social Security trust fund by introducing the Social Security Preservation Act. The Social Security Preservation Act is a rather simple bill which states that all monies raised by the Social Security trust fund will be spent in payments to beneficiaries, with excess receipts invested in interest-bearing certificates of deposit. This will help keep Social Security trust fund monies from being diverted to other programs, as well as allow the fund to grow by providing for investment in interest-bearing instruments.

The Social Security Preservation Act ensures that the government will keep its promises to America's seniors that taxes collected for Social Security will be used for Social Security. When the government taxes Americans to fund Social Security, it promises the American people that the money will be there for them when they retire. Congress has a moral obligation to keep that promise.

With federal deficits reaching historic levels the pressure from special interests for massive new raids on the trust fund is greater than ever. Thus it is vital that Congress act now to protect the trust fund from big spending, pork-barrel politics. Social Security reform will be one of the major issues discussed in this Congress and many of my colleagues have different ideas regarding how to best preserve the long-term solvency of the program. However, as a medical doctor, I know the first step in treatment is to stop the bleeding, and the Social Security Preservation Act stops the bleeding of the Social Security trust fund. I therefore call upon all my colleagues, regardless of which proposal for long-term Social Security reform they support, to stand up for